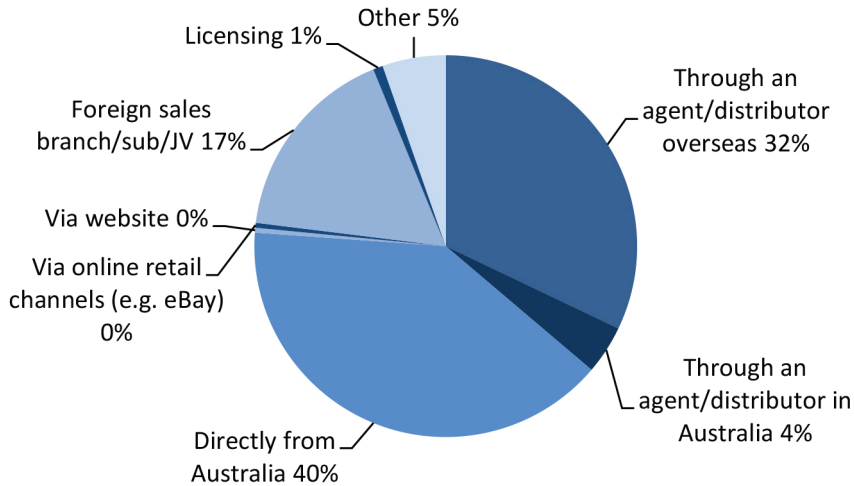


## CHINA

**Figure 33: China - Mode of servicing**

Survey question: *Mode of servicing (top two countries)*

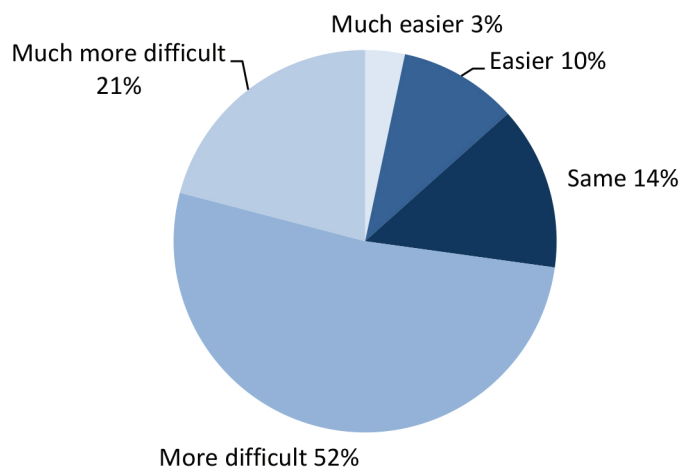


Sample size by number of respondents: n=255

The range of modes used by respondents for whom China is the most or second most important market does not differ greatly from those used in other countries. As Figure 33 shows, the Chinese market is most commonly serviced either directly from Australia (40 per cent) or via an agent or distributor based in China (32 per cent).

**Figure 34: China - Ease of doing business compared to Australia**

Survey question: *Ease of doing business (top two countries)*

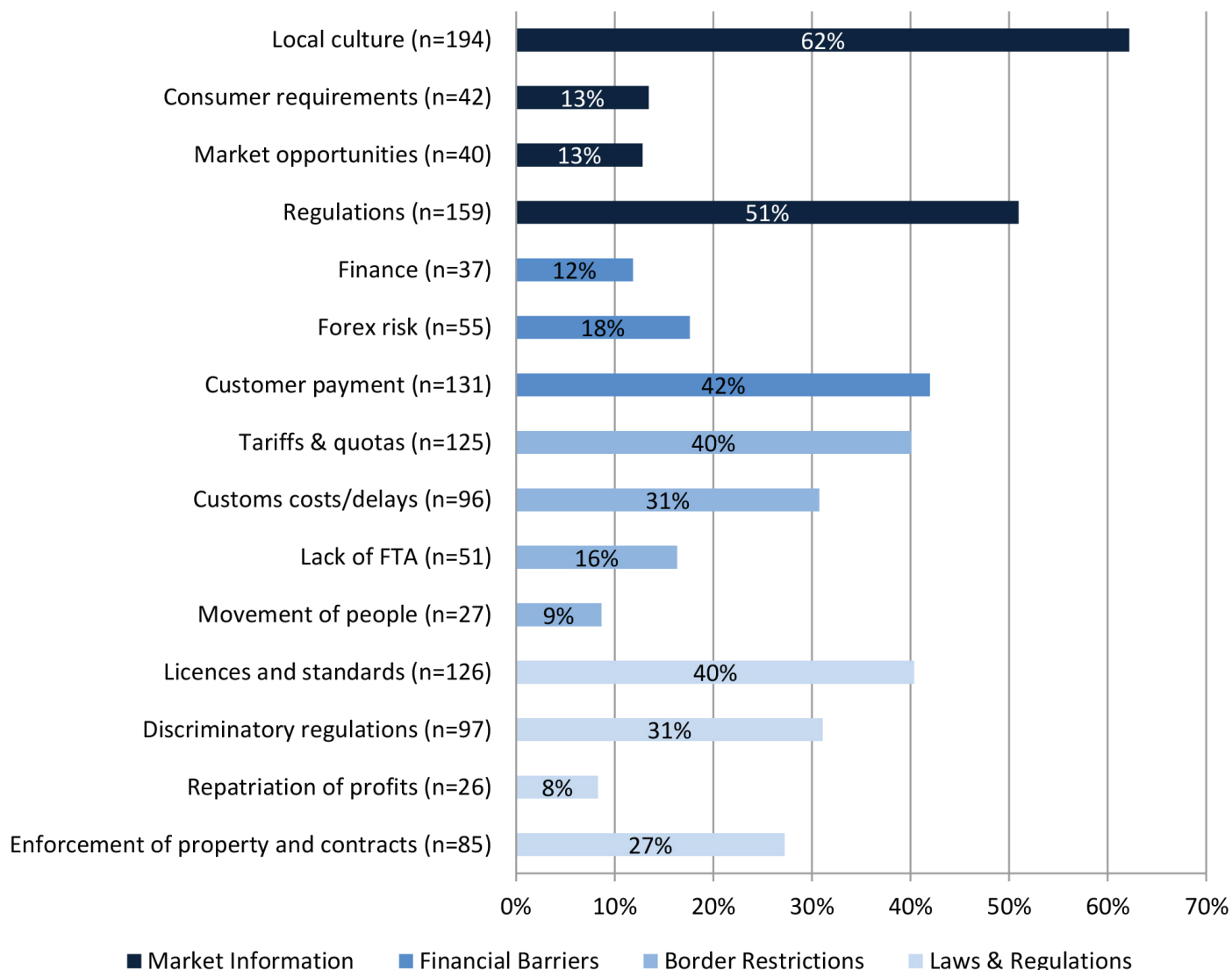


Sample size by number of respondents: n=255

Of those respondents for whom China is an important market, 73 per cent regard it as more/much more difficult to do business in than Australia (Figure 34). Interestingly, 13 per cent regard China as easier than Australia.

### Figure 35: Barriers to doing business in China

Survey question: *What are the barriers that make (this country) so difficult for your company? (select all that apply)*



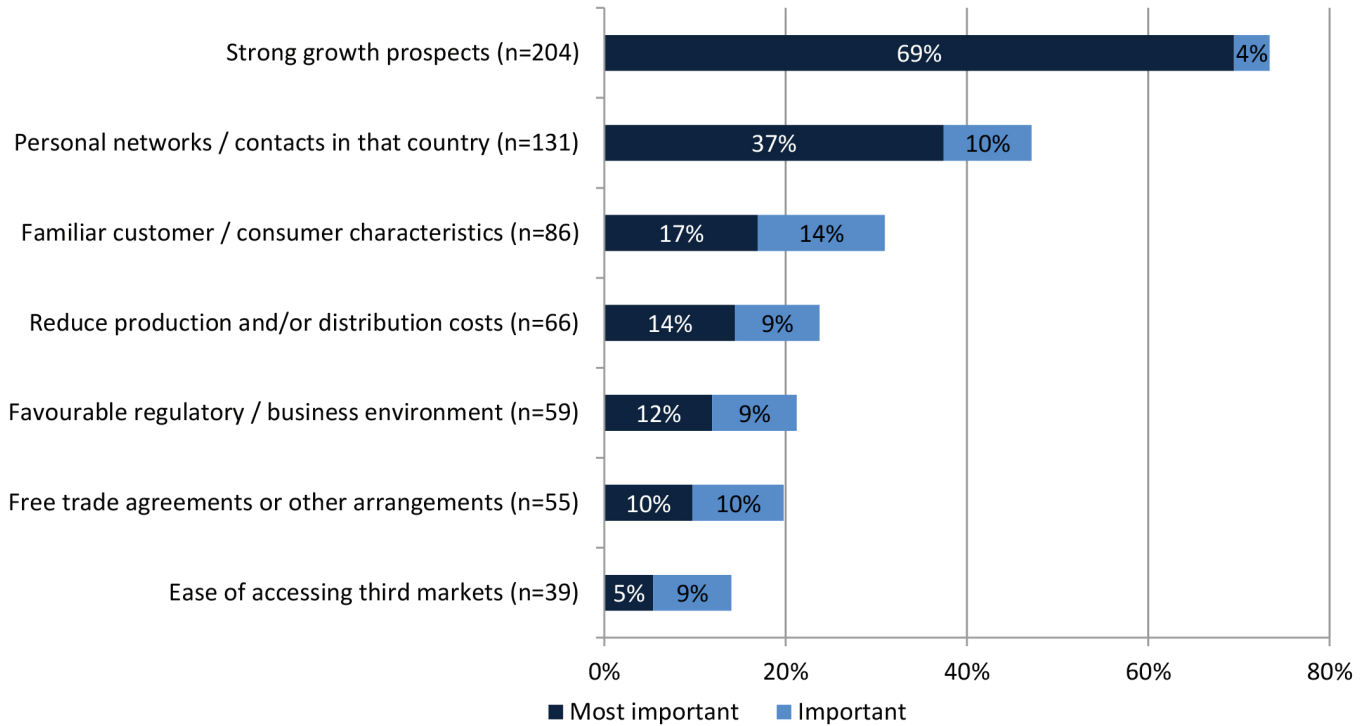
Sample size by number of respondents: n=312

Sample size by number of responses: n=1291; multiple responses were possible

Lack of information about local culture, business practices and local regulations are the most frequently reported barriers to doing business in China (Figure 35). Lack of information about local culture and business practices is more commonly perceived as an impediment by respondents with the least amount of international experience, but remains a significant barrier even for businesses with more than ten years' experience. Obtaining customer payment is also a common concern. This remains a barrier even for businesses with higher levels of international experience. Respondents are also affected by border restrictions and non-tariff barriers such as licences, permits and product standards. In contrast, restrictions on the repatriation of profits and the movement of people, the lack of an FTA and lack of information about consumer requirements and market opportunities were less frequently identified as a challenge.

### Figure 36: Why was China selected for future business?

Survey question: *Why has your company chosen to target this country for future business? (select all that apply)*



Sample size by number of respondents: n=278

Sample size by number of responses: n=657; multiple responses were possible

Note: 'Other' category accounted for n=17 responses

By far the most important reason for planning to do business in China is perceived growth prospects (Figure 36). Other reasons for expanding to China, while present, are clearly a lesser consideration than the perceived opportunities in the market. The second most important reason for selecting China as a future market is the existence of personal contacts or networks in the country.